

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

HOUSE BILL 14

43RD LEGISLATURE- STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

LUCIANO "LUCKY" VARELA

FOR THE REVENUE STABILIZATION AND TAX POLICY COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING THE CORPORATE INCOME AND
FRANCHISE TAX ACT TO CORRECT AN ERROR AND TO PROVIDE FOR A THIRD
OPTION FOR PAYING ESTIMATED CORPORATE INCOME TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-2A-9.1 NMSA 1978 (being Laws 1986,
Chapter 5, Section 1, as amended) is amended to read:

"7-2A-9.1. ESTIMATED TAX DUE--PAYMENT OF ESTIMATED
TAX--PENALTY--EXEMPTION.--

A. Every taxpayer shall pay estimated corporate
income tax to the state of New Mexico during its taxable year if
its tax after applicable credits for such taxable year can
reasonably be expected to be five thousand dollars (\$5,000) or
more. A taxpayer to which this section applies shall calculate
estimated tax by ~~[either]~~ one of the following methods:

Underscored material = new
[bracketed material] = delete

1 (1) estimating the amount of tax due, net of
2 any credits, for the current taxable year, provided that the
3 estimated amount is at least eighty percent of the amount
4 determined to be due for the taxable year; [øø]

5 (2) using [~~the greater of five thousand dollars~~
6 ~~(\$5,000) øø~~] as the estimate an amount equal to one hundred
7 percent of the tax due for the previous taxable year, if the
8 previous taxable year was a full twelve-month year and if the
9 amount due for that previous taxable year was at least five
10 thousand dollars (\$5,000); or

11 (3) using as the estimate an amount equal to
12 one hundred ten percent of the tax due for the taxable year
13 immediately preceding the previous taxable year, if the taxable
14 year immediately preceding the previous taxable year was a full
15 twelve-month year, the amount due for the taxable year
16 immediately preceding the previous taxable year was at least
17 five thousand dollars (\$5,000) and the return for the previous
18 taxable year has not been filed and the extended due date for
19 filing that return has not occurred at the time the first
20 installment is due for the taxable year.

21 B. If Subsection A of this section applies, the
22 amount of estimated tax shall be paid in installments as
23 follows: twenty-five percent of the estimated tax is due on or
24 before the fifteenth day of the fourth month of the taxable
25 year, another twenty-five percent is due on or before the

. 113528. 2

Underscored material = new
[bracketed material] = delete

1 fifteenth day of the sixth month of the taxable year, another
2 twenty-five percent is due on or before the fifteenth day of the
3 ninth month of the taxable year and the final twenty-five
4 percent is due on or before the fifteenth day of the twelfth
5 month of the taxable year. Application of this subsection to a
6 taxable year that is a fractional part of a year shall be
7 determined by regulation of the secretary.

8 C. Every taxpayer to which Subsection A of this
9 section applies that fails to pay the estimated tax when due or
10 that makes estimated tax payments during the taxable year that
11 are less than the lesser of eighty percent of the income tax
12 imposed on the taxpayer under the Corporate Income and Franchise
13 Tax Act or the amount required by Paragraph (2) or (3) of
14 Subsection A of this section shall be subject to the interest
15 and penalty provisions of Sections 7-1-67 and 7-1-69 NMSA 1978
16 on the underpayment.

17 D. For purposes of this section, the amount of
18 underpayment shall be the excess of the amount of the
19 installment that would be required to be paid if the estimated
20 tax were equal to eighty percent of the tax shown on the return
21 for the taxable year or the amount required by Paragraph (2) or
22 (3) of Subsection A of this section or, if no return was filed,
23 eighty percent of the tax for the taxable year for which the
24 estimated tax is due less the amount, if any, of the installment
25 paid on or before the last date prescribed for payment.

Underscored material = new
[bracketed material] = delete

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

E. For purposes of this section, the period of underpayment shall run from the date the installment was required to be paid to whichever of the following dates is earlier:

(1) the fifteenth day of the third month following the end of the taxable year; or

(2) with respect to any portion of the underpayment, the date on which such portion is paid. For the purposes of this paragraph, a payment of estimated tax on any installment date shall be applied as a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under Subsection D of this section due on such installment date."

Section 2. APPLICABILITY.--The provisions of this act apply to taxable years beginning on or after January 1, 1998.

**State of New Mexico
House of Representatives**

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

January 29, 1997

Mr. Speaker:

**Your TAXATION AND REVENUE COMMITTEE, to whom has
been referred**

HOUSE BILL 14

**has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.**

Respectfully submitted,

Jerry W. Sandel, Chairman

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HB 14

Page 6

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 12 For 0 Against

Yes: 12

Excused: Parsons

Absent: None

M \H0014

Underscored material = new
[bracketed material] = delete

FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

HB 14

Page 7

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

Underscored material = new
~~[bracketed material] = delete~~